



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally unadjusted unemployment rate for the Magic Valley Labor Market Area was 3.5 percent in April 2004. This was three-tenths of a percentage point below March 2004 and seven-tenths of a percentage point less than April 2003. *Civilian Labor Force* was up 560 from March to April 2004 and up 4,410 over April 2003, an increase of 8.2 percent.

The Magic Valley LMA is still one of the hottest economies in the state with good sustained job growth and stable unemployment rates. Some major sectors with strong growth included *Construction* where the year-over-year increase was 45.0 percent or 860 persons. It appears this sector had growth in all types of construction. Residential building seems to be just slightly less than last year since interest rates have probably bottomed out, but business expansion, improvement, and new infrastructure projects bode well for construction in the Magic Valley. *Food Manufacturing* was down just slightly from March 2004 to April 2004; however, strong dairy product sales and demand are causing local processors to hire workers. Kraft Foods in Rupert will be adding a string cheese line and hiring an additional 50 workers. Areas of concern are in potato processing and possibly in sugar processing. Demand is down for regular potatoes and it will remain to be seen if potatoes will have an average or below average year.

In the western Magic Valley especially, *Retail Trade* and *Wholesale Trade* are up 14.3 and 10.8 percent, respectively, year-over-year. This has been in response to very positive market driven consumer behavior. Consumer confidence in the Magic Valley LMA remains very high and new retailers were added in late 2003. Additional retailers appear to be coming to Twin Falls and this should continue to give the Magic Valley LMA a strong performance in 2004. It also seems that despite higher gasoline prices and worries over the war in Iraq, Americans are planning vacations at the best rate since the September 11, 2001, terrorist attacks.

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	April 2004*	Mar 2004	April 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	58,060	57,500	53,650	1.0	8.2
Unemployment	2,040	2,210	2,280	-7.7	-10.5
% of Labor Force Unemployed	3.5	3.8	4.2		
Total Employment	56,020	55,290	51,370	1.3	9.1
Unadjusted					
Civilian Labor Force	56,650	55,970	53,060	1.2	6.8
Unemployment	2,540	2,890	2,170	-12.1	17.1
% of Labor Force Unemployed	4.5	5.2	4.1		
Total Employment	54,110	53,080	50,890	1.9	6.3
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs**	44,790	44,140	39,610	1.5	13.1
Goods-Providing Industries	7,920	7,550	6,790	4.9	16.6
Natural Resources & Mining	20	20	40	0.0	-50.0
Construction	2,770	2,350	1,910	17.9	45.0
Manufacturing	5,130	5,180	4,840	-1.0	6.0
Food Manufacturing	3,680	3,570	2,980	3.1	23.5
Other Manufacturing	1,450	1,610	1,860	-9.9	-22.0
Service-Providing Industries	36,870	36,590	32,820	0.8	12.3
Trade, Transportation & Utilities	10,590	10,170	9,550	4.1	10.9
Wholesale Trade	1,950	1,900	1,760	2.6	10.8
Retail Trade	6,560	6,280	5,740	4.5	14.3
Utilities	270	250	210	8.0	28.6
Transportation & Warehousing	1,810	1,740	1,850	4.0	-2.2
Information	510	500	500	2.0	2.0
Financial Activities	1,750	1,740	1,720	0.6	1.7
Professional & Business Services	6,080	6,410	5,170	-5.1	17.6
Educational & Health Services	3,840	3,790	3,120	1.3	23.1
Leisure & Hospitality	3,540	3,650	3,330	-3.0	6.3
Other Services	1,500	1,520	1,470	-1.3	2.0
Government Education	4,500	4,230	3,830	6.4	17.5
Government Administration	4,560	4,580	4,120	-0.4	10.7

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

There is a dampening factor, however, as the Western U.S. and Idaho are in the midst of a terrifically serious drought. In South Central Idaho, a last minute agreement on groundwater usage and curtailment was reached before a financially and economically catastrophic water call event took place. Serious attention and corrective measures are being considered for the future of Idaho water. Also, the drought could cause a late summer slackening of tourism due to tinder dry conditions.

The western Magic Valley continues to be a leader in the state and, in many cases, the nation for job creation and economic vitality. Some of the new employers have brought higher wages as well as new jobs to the Magic Valley. This might mitigate what many perceive to be a shortcoming in the area's overall economic vitality—a history of relative low wages and high employee turnover in nonfarm jobs. The per capita personal income statistics and their rankings in the state are fairly high for Twin Falls, Jerome, and Cassia Counties, but

these are dominated by agricultural prices as a component of personal income. The statistics might not adequately reflect what is available in terms of a general tax base, community and personal investments, and other measures of economic vitality. New jobs, higher wages, and increased economic diversification will broaden and deepen the area's economy.

The current challenges about water: sources, supply, uses, priorities, conservation, must be included in economic development plans and actions. All areas of the Magic Valley, must add water usage as a major criterion to business recruitment. Careful and controlled water usage with voluntary water conservation methods and businesses leading the way in setting community examples should make the economy here continue to thrive and grow.

COMMERCE & LABOR DEPARTMENTS MERGE JULY 1, 2004

What does it mean for you?

On July 1, 2004, the Idaho Department of Commerce and the Idaho Department of Labor merged into one organization. For the past several months, the Director of the Idaho Department of Labor had been assigned as Acting Director of the Idaho Department of Commerce. Because of the close association of these two organizations, Governor Kempthorne suggested to the Legislature that a merger take place. The Legislature passed the required legislation, which became official on July 1, 2004.

What Changes?

The new department will be publicly known as Idaho Commerce & Labor. All 24 Job Service offices throughout the state will be known as Idaho Commerce & Labor offices. There will be no jobs lost or major personnel changes. The people with whom South Central Idaho customers are used to working with will still be the same people you see on a daily basis. The famous "Job Service" logo will be phased out and outdoor location signs will be changed. Business cards and stationery will look a little different. Other than that, it's the same good service, plus some additional services, from the same caring people.

How does this help?

Although many people think commerce and labor are very different, our goals have always been the same: helping to attract and retain good employers to keep our workforce gainfully employed.

The labor side of the organization continues to provide services for customers that may need unemployment assistance or any other job seeking training. The Office Managers throughout the state and the Regional Labor Economists will work closely with economic development colleagues in the commerce side of the organization to partner with all the city and area economic development specialist so that a seamless transition from statewide economic development leads to local area leads takes place.

With one Director and some shared administrative functions, costs are kept down with a well-coordinated department that has little duplication of effort. Idahoans now have the maximum efficiency they need to attract and re-

tain businesses and give both the employer and the employee the best representation possible.

AREA DEVELOPMENTS

Blaine, Camas, Gooding, Jerome, and Lincoln Counties

- The Hailey Chamber of Commerce Visitors Center moved to Main Street on May 10, sharing space with the Blaine County Job Service located at the corner of Main Street and Myrtle. This will be the first time that these entities have shared an office. The idea was sparked by the merger of the Idaho Departments of Commerce & Labor into one entity known as Idaho Commerce & Labor. Hailey Chamber Executive Director Tom Smith expects that the increased visibility offered by Main Street will bring more people through the Center, and the partnership with Idaho Commerce & Labor will foster economic development in the city. The new center will be staffed by a corps of volunteers and eventually an intern. This is the first such partnership in the state.
- Magic Valley Bank now has a full-service branch office in Jerome located in the Wal-Mart Shopping Center. The branch will offer personalized banking services and will have expanded office hours, being open 10 a.m. to 7 p.m. Monday through Friday and 10 a.m. to 2 p.m. on Saturday. The full-service branch office has three teller windows and a 24-hour ATM.

Cassia and Minidoka County

- The Family Dollar Store held a grand opening in Rupert on July 1. The Family Dollar Store is next to Kings in Rupert and offers variety store merchandise. The store will initially hire 20-25 workers; 5-8 of those positions will be part-time.
- The Kraft Foods plant plans to add 50 full-and part-time positions to their processing staff. The recent increase in cheese demand has prompted the expansion. The new workers will work on a string cheese product. Kraft had laid off about 50 workers in late 2002, but earlier this year, the City of Rupert was awarded a \$350,000 Community Development Block Grant for infrastructure improvements that allowed Kraft to add 35 more workers. With the addition of the new 50 workers, Kraft is back above its pre-2002 levels and that is extremely good news for the Mini-Cassia area.

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